

Company Registration No. 06308595 (England and Wales)

THE BASILDON ACADEMIES
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE BASILDON ACADEMIES

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THE BASILDON ACADEMIES

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Turner
N Luckock
K Bobbin

Trustees

N Luckock
L Livermore (Chair of Trustees)
MW Turner

Senior management team

G Smith	- Headteacher
T Darker	- Director of Finance and Operations
A Guinea	- Deputy Head
L Sherman	- Deputy Head
V Oddy	- Deputy Head

Company registration number

06308595 (England and Wales)

Registered office

Wickford Avenue
Pitsea
Basildon
Essex
SS13 3HL

Independent auditor

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

THE BASILDON ACADEMIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Constituted as a Multi Academy Trust the charitable company operates 2 schools the Basildon Lower Academy and Basildon Upper Academy. The Basildon Academy has a roll of 1269 in the 2019 school census.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Charitable Company is known as the Basildon Academies.

The trustees of The Basildon Academies are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

The operation of the Academy's and employment of staff remain the responsibility of the Board of Trustees and the trust retains the control of budgets and finances, and monitors these through its Finance Committee.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of trustees

It is the Chair's responsibility to consider the range and balance of skills required on the board of trustees.

The arrangements for recruitment are set out in the Articles and Funding Agreement.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees will depend on their existing experience.

The Trust is committed to providing adequate opportunities for Trustees and Governors to receive suitable training in order to be able to perform their role effectively. Where necessary induction will provide training on charity, education, legal and financial matters. All new trustees will be given a tour of the Academies and have the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets and any other documents as appropriate to their role.

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The Governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Articles of Association have appointed a Governing Committee to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

The committee can have a maximum of 15 members which include:

- The Headteacher of the Academy
- One elected parent/guardian of a pupil at the Academy
- One elected non-teaching staff member employed at the Academy
- One elected teacher member employed at the Academy
- One person appointed by the appropriate Local Authority: and
- Such other members as the Governing Committee decide

The Governing Body meets regularly and is advised by its two sub committees which include Staffing and Finance. The Directors and Governors are responsible for the strategic direction of the Trust. The Trustees are responsible for setting the strategic policy, adopting an annual plan and budget monitoring the Trust by its use of those budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The structure consists of the Directors, the Governing Body, The Executive Leadership Team and The Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Executive Leadership Team includes the Chair, Headteacher and Director of Finance and Operations. These managers control the Academy at an executive level implementing policies laid down by the Governors and reporting back to them. As a group the Executive Leadership Team is responsible for the authorisation of spending within agreed budgets.

Both Academies have the same Executive Leadership Team, each Academy has a Deputy Head led by the Headteacher, who is a member of the Executive Leadership Team. The Senior Leadership Team is the same for both Academies and includes the Deputy Heads and Assistant Heads for each Academies alongside members of the Executive Leadership Team. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

The Executive Leadership Team are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safer recruitment processes.

The Trusts Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as pay scales, outcomes of Performance Management reviews and any nationally agreed pay awards that are recognised in accordance with the Trust's Pay Policy.

Performance Management reviews are carried out by Line Managers and signed off by the Headteacher. Performance Management review for the Headteacher is carried out by the Chair of Governors. Trustees are not paid for their roles within the Academy.

Trade union facility time

The number of employees who were relevant union officials during the period was none.

During the Year there was no time spent on facility time and £nil spent on facility time.

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

The Stanton Lane Educational Trust is the principal sponsor. Trustees of that trust are M Turner and N Luckock. As the Academy's founding sponsor it has provided voluntary advisory support and guidance to the Academy.

Objectives and activities

Objects and aims

The principal object and aim of the Charitable Company is the operation of an Academy to provide free education for pupils within its local community between the ages of 11 and 18. To promote and provide for the advancement and education of children.

The main objectives of the Basildon Academies during the year ending 31st August 2020 continues to be to provide an inclusive environment that is built around trust, openness, secure relationships, positive behaviours and effective partnership working to enable all students to meet their potential that will equip these students with the skills, attitudes and knowledge so that they can progress into employment, further training or higher education, helping them to achieve more than they thought possible.

The Trust reviews its curriculum annually and is satisfied that it offers a broad and balanced curriculum as well as providing other learning opportunities through its wide range of extra-curricular programmes.

Objectives, strategies and activities

The priorities for the Academy during the year ended 31st August 2020 are unchanged and are summarised below:

- To ensure that each pupil enjoys the same excellent education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with primary schools, industry and commerce;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.
- Ensuring good or better teaching throughout the school
- Aiming to narrow the gap between disadvantaged groups and other groups of students
- Continued growth in student numbers

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Our success in fulfilling our aims can be measured by:

- Continued good or better teaching throughout the school
- The improvement in the gap between disadvantaged groups and other groups of students
- Increased pupil numbers

The Basildon Academies' strategy is encompassed in its aims and objectives stated above. To this end it recognises the need to be innovative and challenging in the approach to:

- The subdivision of the two Academies' populations by age range (11- 14 and 14 – 19)
- The grouping of students
- The organisation, management and governance of the Academies'
- The building design and organisation of the learning environments
- The organisation, management and development of staff
- The delivery of services that support individual pupils and families
- The way business is engaged, and how the two Academies can impact on the prosperity, effectiveness and development of the local community and future business
- The celebrating of success, the setting of targets and the robust monitoring of performance

Public benefit

The Trustees believe that by working towards the objectives and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Academy serves the local community by providing resources and facilities for all people of a range of ages. Activities provided through the letting of the facilities are exercise classes, swimming lessons, football, netball and a range of other activities that can be accessed by the local community.

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The Trust continued its mission to ensure that students achieved their potential in public examinations, encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their school.

The Academies have completed their tenth year of operation. The Upper school has been judged as requires improvement in education and good in all other categories. Whilst the Lower school has been judged by Ofsted as a good school in all categories and have been commended by them for high quality teaching and strong student achievement.

Following the restructure of the Senior Management Team in September 2017 both the Senior Leaders and Governors have worked closely to ensure that every student will have a pathway to ensure that they continue to make or are rapidly moving towards making or exceeding expected levels of progress.

The Basildon Academies achieved during the year ending 31st August 2020:

- Fixed Term Exclusion below national average
- Performed significantly better than budget
- Continued growth in pupil numbers
- Improvement in Year 11 and 13 outcomes compared with 2019
- Achieved strategies implemented in 2018 which has resulted in the Academies achieving a surplus budget for the 3rd year running and no longer being in a deficit position going into 2020/21. All monies due to be repaid due for the GAG Advancement will be complete by November 2020.

Key performance indicators

The Directors and Governing Body receive regular information from its sub committees to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. The performance of the Academies is assessed through:

- Pupil numbers
- Curriculum events
- Exam results
- Facilities
- Post 16 learning and students moving onto university
- Staff Performance Reviews
- Ofsted Rating

The Basildon Academies have continued to see growth in student numbers with both higher Year 7 pupil numbers and increased numbers of midterm admissions. The Local Authority forecast for the forthcoming years sees continued growth in pupil numbers.

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of going concern basis can be found in the Statement of Accounting Policies.

The Basildon Academies Executive Leadership Team have continued to review its staffing structure and during the year have continued to increase the Teacher Contact Ratio. For third year this has returned significant savings against the forecasted staffing budget and contributed to the Basildon Academies no longer being in a deficit position and moving into 2020/21 with an increased surplus carry forward position that will be invested back into the Basildon Academies through capital projects.

The Basildon Academies continue to monitor its cash balance and as forecasted operated with a surplus for the year ending 31st August 2020. The Trustees are confident with the management of cash flow and that there will not be any need for support from the EFSA. During year ending 31st August 2020 the Basildon Academies fully repaid the outstanding PNA debt from 2015/16 of 499k. The continued increase in reserves over the past 2 years will enable the Basildon Academies to repay its GAG advance of £500k by 1st November 2020 and reinvest in the schools IT infrastructure and facilities.

Financial review

The Academy's' principal source of income is the General Annual Grant (GAG) and other grants that it receives from The Education Skills Funding Agency (ESFA). The grants received during the year ended 31st August 2020 and the associated expenditure are shown in the Statement of Financial Activities.

The Academy also received grants for Fixed Assets. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected life of the assets concerned.

As 31st August 2020 the net book value of fixed assets was £46,840,527. Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

For the year ending 31st August 2020 the Trust received £8,074,667 of GAG funding. The expenditure during the year ending 31st August 2020 equalled £9,504,127 and was covered by the recurrent grant from the ESFA together with other incoming resources.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust recognises a significant pension fund deficit of £7,998,000 as at 31st August 2020. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing expenditure. The Trustees review the reserve levels annually and monitor any estimated year-end carry forward balances via the Monthly Management accounts received via the Director of Finance & Operations.

The Trust have determined that the appropriate level of free reserves should be equivalent to 2 weeks expenditure, approximately £403,000. The Academy have now been performing at a surplus and as at year end 31st August 2020 have returned the Academy with increased reserves position to having a year-end carry forward reserve of £917,038.

The Trust will now plan how the carry forward reserves will be allocated in the following academic year to support the expansion plan to support the continued increase in student numbers. This plan focuses on upgrading both the IT infrastructure and facilities within both schools.

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The Academies principal goal is to safeguard its long term ability to attract high calibre staff and deliver an excellent education to Academy pupils, and to maintain and renew its physical facilities whilst driving growth in current student numbers.

Key uncertainties are student number and the extent and impact of changes to Government funding and an uncertain economic and financial environment that puts pressure on enterprise, capital projects and operation expenditures.

The Executive Leadership Team maintain a central risk register that identifies the major risks, to which the Trust is exposed. This register is approved and monitored via the Finance Committee with a formal review undertaken on an annual basis by the Director of Finance & Operations.

Covid-19

In March 2020 the worldwide Covid-19 pandemic began impacting the UK and as a result the Trust had to close both schools to most pupils between March and May 2020.

In line with the guidance from the DfE the schools were only open to children of key workers. We therefore switched to remote learning and all standard assessment tests were cancelled. A number of pupils were also provided with government funded computer equipment to support their continued learning.

As the restrictions continue into the new academic year, similar issues will arise again however it is impossible to determine what the impact will be on future activities.

Financial and risk management objectives and policies

As a Multi Academy Trust operating two schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of the expenditure and are relatively stable with contingencies in place to cover such items such as sickness and maternity.

The Trust is exposed to a number of financial risks, including credit, cash flow and liquidity risks. The Directors, Governors and Senior Leaders are responsible for the administration and management of the Academy's affairs and ensuring that:

- Effective systems of internal control are in place and that accounting records are properly kept;
- Appropriate financial management controls are in place to safeguard the assets of the Academy and prevent and detect fraud; and
- The Academy secures economical, efficient and effective financial management of its resources and expenditure

Plans for future periods

Future Developments

The Academy will continue to strive to raise aspirations and achievement of all students within the Academy as well as those in the wider community of East Basildon through the use of the Academy's excellent facilities, curriculum materials and staff expertise and through the provision of excellent learning experiences.

Our aim is to have high expectations and belief in every child and continue to bring about further and sustainable improvement in attendance, behaviour and attainment and make the Academy a place in which children, parents and stakeholders can be justifiably proud.

THE BASILDON ACADEMIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28/11/2021 and signed on its behalf by:



L Livermore
Chair of Trustees

THE BASILDON ACADEMIES

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Basildon Academies has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Basildon Academies and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 2 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
N Luckock	2	2
L Livermore (Chair of Trustees)	2	2
MW Turner	0	2

There have been no key changes to the composition of the Board of Trustees during academic year 2019/20. The Board meet a minimum of three times per academic year and the scope of our work is to consider all matters relating to curriculum, staff and pay, finance, students and any general purpose matters. The Senior Leadership of the school provide the Trustee's with written data reports relevant to the agenda of the meeting and the data that is received is of a high standard that is acceptable to the Trustees.

The Academy undertakes a programme of relevant and timely training to support Governors and Directors. The Governing Body and Directors are constituted with relevant experience ranging from education, legal, finance, human resources and community engagement. A review is made of skillsets/training requirements as part of self and group evaluations and this will continue in 2020.

In addition to the Board of Trustees meetings the Trust and the Basildon Academies members meet each term.

The meetings are also attended by the Headteacher and Director of Finance & Operations.

The Finance committee is a sub-committee of the main governing body. Its terms of reference include financial management, risk management, management of physical resources and management of health and safety issues. This committee is made up of 2 Trustees and the Headteacher and Director of Finance & Operations.

The trustees were due to have 3 meetings during the year however due to Covid-19 one meeting was postponed however the trustees have a general oversight of the finances throughout the year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
N Luckock	2	2
L Livermore (Chair of Trustees)	2	2

THE BASILDON ACADEMIES

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer accepts responsibility and accountability for ensuring that the Trust delivers good value in the use of public resources during each academic year and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Trust is committed to applying the four principles of best value; Challenge, Compare, Consult and Complete.

Improved value for money is delivered during the year by:

- Ensuring all SLA's are reviewed at point of renewal
- Obtaining 3 quotes for expenditure over 5k
- Maximising income from lettings
- Performance Management for all staff annually
- Reviewing staffing levels and continually streamline where possible and reviewing teacher contact ratio annually

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Basildon Academies for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- identification and management of risks.

THE BASILDON ACADEMIES

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The Board of Trustees has considered the need for specific internal audit function and has decided not to appoint an internal auditor. However, the trustees had three additional checks performed by Rickard Luckin during the academic year 1st September 2019 to 31st August 2020.

On a termly basis the external auditors report to the Board of Trustees through finance committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

Rickard Luckin has carried out three internal audit reviews the Academic year 2019/20 as per their schedule of work on the following areas;

- Non Payroll Expenditure
- External Facing Finance Matters
- Fixed Assets

No material issues were identified.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility of reviewing the effectiveness of the system of internal control. During the year in the review has been informed by:

- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on28/1/2021.....and signed on its behalf by:


L Livermore
Chair of Trustees

THE BASILDON ACADEMIES

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of The Basildon Academies, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



G Smith
Accounting Officer

28/11/2021

THE BASILDON ACADEMIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of The Basildon Academies for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 25/11/2021 and signed on its behalf by:


L Livermore
Chair of Trustees

THE BASILDON ACADEMIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BASILDON ACADEMIES

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of The Basildon Academies for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE BASILDON ACADEMIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BASILDON ACADEMIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE BASILDON ACADEMIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BASILDON ACADEMIES (CONTINUED)

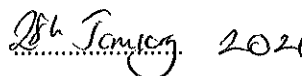
FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

 2021

Chartered Accountants
Statutory Auditor

Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

THE BASILDON ACADEMIES

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BASILDON ACADEMIES AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 2 May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Basildon Academies during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Basildon Academies and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Basildon Academies and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Basildon Academies and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Basildon Academies's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Basildon Academies's funding agreement with the Secretary of State for Education dated 3 June 2008 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of the meetings of the Governing Body and key sub committees;
- Evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- Reviewing action taken as a result of recommendations from internal audit procedures, external audit, and ESFA updates;
- Evaluating and documenting internal controls and testing their application by walkthrough;
- Testing a sample of payments to ensure that they have been authorised in accordance with the Academy's financial procedures and the Academies Financial Handbook.

THE BASILDON ACADEMIES

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BASILDON ACADEMIES AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Rickard Luckin Ltd

Reporting Accountant

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

Dated: *28th January 2021*

THE BASILDON ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	4	1,806	-	28,019	29,825	83,621
Charitable activities:						
- Funding for educational operations	5	-	9,142,193	-	9,142,193	7,976,759
Other trading activities	7	83,228	190,104	-	273,332	353,550
Investments	6	760	-	-	760	721
Total		85,794	9,332,297	28,019	9,446,110	8,414,651
Expenditure on:						
Charitable activities:						
- Educational operations	10	8,379	9,009,204	486,544	9,504,127	8,407,809
Total	8	8,379	9,009,204	486,544	9,504,127	8,407,809
Net income/(expenditure)		77,415	323,093	(458,525)	(58,017)	6,842
Transfers between funds	20	-	(119,873)	119,873	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	22	-	(1,488,000)	-	(1,488,000)	(845,000)
Net movement in funds		77,415	(1,284,780)	(338,652)	(1,546,017)	(838,158)
Reconciliation of funds						
Total funds brought forward		290,403	(6,164,000)	47,179,179	41,305,582	42,143,740
Total funds carried forward		367,818	(7,448,780)	46,840,527	39,759,565	41,305,582

THE BASILDON ACADEMIES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2019
		£	£	£	£
Income and endowments from:					
Donations and capital grants	4	1,546	-	82,075	83,621
Charitable activities:					
- Funding for educational operations	5	-	7,976,759	-	7,976,759
Other trading activities	7	113,547	240,003	-	353,550
Investments	6	721	-	-	721
Total		<u>115,814</u>	<u>8,216,762</u>	<u>82,075</u>	<u>8,414,651</u>
Expenditure on:					
Charitable activities:					
- Educational operations	10	16,582	7,918,339	472,888	8,407,809
Total	8	<u>16,582</u>	<u>7,918,339</u>	<u>472,888</u>	<u>8,407,809</u>
Net income/(expenditure)		99,232	298,423	(390,813)	6,842
Transfers between funds	20	(724,544)	715,085	9,459	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	22	-	(845,000)	-	(845,000)
Net movement in funds		<u>(625,312)</u>	<u>168,508</u>	<u>(381,354)</u>	<u>(838,158)</u>
Reconciliation of funds					
Total funds brought forward		915,715	(6,332,508)	47,560,533	42,143,740
Total funds carried forward		<u>290,403</u>	<u>(6,164,000)</u>	<u>47,179,179</u>	<u>41,305,582</u>

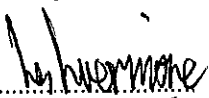
THE BASILDON ACADEMIES

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	14		46,840,527		47,179,179
Current assets					
Stocks	15	9,952		7,144	
Debtors	16	250,127		193,804	
Cash at bank and in hand		1,643,404		1,317,820	
		<u>1,903,483</u>		<u>1,518,768</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(986,445)		(728,365)	
Net current assets			917,038		790,403
Total assets less current liabilities			<u>47,757,565</u>		<u>47,969,582</u>
Creditors: amounts falling due after more than one year	18		-		(500,000)
Net assets before defined benefit pension scheme liability			<u>47,757,565</u>		<u>47,469,582</u>
Defined benefit pension scheme liability	22		(7,998,000)		(6,164,000)
Total net assets			<u><u>39,759,565</u></u>		<u><u>41,305,582</u></u>
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			46,840,527		47,179,179
- Restricted income funds			549,220		-
- Pension reserve			(7,998,000)		(6,164,000)
Total restricted funds			<u>39,391,747</u>		<u>41,015,179</u>
Unrestricted income funds	20		367,818		290,403
Total funds			<u><u>39,759,565</u></u>		<u><u>41,305,582</u></u>

The accounts on pages 20 to 43 were approved by the trustees and authorised for issue on 28/11/2021... and are signed on their behalf by:



L Livermore

Chair of Trustees

Company Number 06308595

THE BASILDON ACADEMIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	23		444,697		942,813
Cash flows from investing activities					
Dividends, interest and rents from investments		760		721	
Capital grants from DfE Group		28,019		82,075	
Purchase of tangible fixed assets		(147,892)		(99,686)	
Net cash used in investing activities			(119,113)		(16,890)
Cash flows from financing activities					
Repayment of other loan		-		(499,000)	
Net cash used in financing activities			-		(499,000)
Net increase in cash and cash equivalents in the reporting period			325,584		426,923
Cash and cash equivalents at beginning of the year			1,317,820		890,897
Cash and cash equivalents at end of the year			<u>1,643,404</u>		<u>1,317,820</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

The Basildon Academies is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. In a previous year the academy had received advanced GAG funding for future years by way of a loan and as at the year end this balance was still outstanding. The academy has agreed a repayment plan with the ESFA for the repayment of its liabilities with them (see note 18) based on an anticipated increase in future pupil numbers and so consider that for the foreseeable future there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	Up to 125 years or useful life of improvement
Computer equipment	3-10 years straight line
Fixtures, fittings & equipment	5-10 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid any balances held are disclosed in note 28.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The only case whereby this arises is in respect of the depreciation policies relating to the fixed assets held by the academy, which are based on the estimated useful lives of the assets.

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2020.

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	28,019	28,019	82,075
Other donations	1,806	-	1,806	1,546
	<u>1,806</u>	<u>28,019</u>	<u>29,825</u>	<u>83,621</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,074,667	8,074,667	7,353,410
Other DfE group grants	-	993,860	993,860	539,115
	<u>-</u>	<u>9,068,527</u>	<u>9,068,527</u>	<u>7,892,525</u>
Other government grants				
Local authority grants	-	73,666	73,666	84,234
	<u>-</u>	<u>73,666</u>	<u>73,666</u>	<u>84,234</u>
Total funding	<u>-</u>	<u>9,142,193</u>	<u>9,142,193</u>	<u>7,976,759</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	760	-	760	721
	<u>760</u>	<u>-</u>	<u>760</u>	<u>721</u>

7 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	83,228	-	83,228	113,547
Catering income	-	105,710	105,710	134,768
Other income	-	77,910	77,910	94,122
Trips and activities	-	6,484	6,484	11,113
	<u>83,228</u>	<u>190,104</u>	<u>273,332</u>	<u>353,550</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	5,175,492	-	683,109	5,858,601	4,927,969
- Allocated support costs	1,707,768	1,395,960	541,798	3,645,526	3,479,840
	<u>6,883,260</u>	<u>1,395,960</u>	<u>1,224,907</u>	<u>9,504,127</u>	<u>8,407,809</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	13,000	16,000
- Other services	5,075	15,332
Operating lease rentals	11,147	25,147
Depreciation of tangible fixed assets	486,544	472,888
Net interest on defined benefit pension liability	111,000	128,000

9 Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

10 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	-	5,858,601	5,858,601	4,927,969
Support costs				
Educational operations	8,379	3,637,147	3,645,526	3,479,840
	<u>8,379</u>	<u>9,495,748</u>	<u>9,504,127</u>	<u>8,407,809</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Charitable activities

(Continued)

Analysis of costs	2020 £	2019 £
Direct costs		
Teaching and educational support staff costs	5,183,815	4,335,281
Staff development	60,097	55,024
Technology costs	118,908	123,336
Educational supplies and services	264,865	193,236
Examination fees	127,177	125,667
Educational consultancy	92,025	62,533
Other direct costs	11,714	32,892
	<u>5,858,601</u>	<u>4,927,969</u>
Support costs		
Support staff costs	1,707,768	1,683,152
Depreciation	486,544	472,888
Recruitment and support	46,007	48,099
Maintenance of premises and equipment	430,850	338,735
Cleaning	59,429	46,097
Energy costs	290,358	290,061
Rent, rates and other occupancy costs	104,713	117,901
Insurance	24,066	23,659
Security and transport	8,610	9,170
Catering	93,425	92,724
Finance costs	111,000	128,000
Other support costs	240,452	198,022
Governance costs	42,304	31,332
	<u>3,645,526</u>	<u>3,479,840</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	5,128,417	4,536,863
Social security costs	449,687	400,580
Pension costs	1,243,150	932,890
	<u>6,821,254</u>	<u>5,870,333</u>
Staff costs - employees		
Agency staff costs	62,006	138,240
	<u>6,883,260</u>	<u>6,008,573</u>
Staff development and other staff costs	68,420	64,884
	<u>6,951,680</u>	<u>6,073,457</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2020	2019
	Number	Number
Teachers	81	62
Administration and support	137	129
Management	1	1
	<u>219</u>	<u>192</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	Number	Number
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
	<u>3</u>	<u>2</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £418,492 (2019: £466,706).

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Trustees' remuneration and expenses

None of the trustees are paid remuneration or has received other benefits from an employment with the academy trust.

During the year ended 31 August 2020, no trustees received any reimbursement of expenses (2019 - £nil).

13 Insurance for trustees and officers

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

14 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	48,146,422	236,140	962,978	49,345,540
Additions	-	99,237	48,655	147,892
At 31 August 2020	48,146,422	335,377	1,011,633	49,493,432
Depreciation				
At 1 September 2019	1,323,375	172,942	670,044	2,166,361
Charge for the year	384,928	29,601	72,015	486,544
At 31 August 2020	1,708,303	202,543	742,059	2,652,905
Net book value				
At 31 August 2020	46,438,119	132,834	269,574	46,840,527
At 31 August 2019	46,823,047	63,198	292,934	47,179,179

15 Stocks

	2020	2019
	£	£
Stock	9,952	7,144

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Debtors	2020	2019
	£	£
Trade debtors	20,946	8,364
VAT recoverable	52,653	42,796
Prepayments and accrued income	176,528	142,644
	<u>250,127</u>	<u>193,804</u>
	<u><u>250,127</u></u>	<u><u>193,804</u></u>
17 Creditors: amounts falling due within one year	2020	2019
	£	£
Loan from the ESFA	500,000	-
Trade creditors	174,234	94,391
Other taxation and social security	109,985	98,616
ESFA creditors - abatement of GAG	-	330,807
Other creditors	1,945	3,627
Accruals and deferred income	200,281	200,924
	<u>986,445</u>	<u>728,365</u>
	<u><u>986,445</u></u>	<u><u>728,365</u></u>
18 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Loan from the ESFA	-	500,000
	<u>-</u>	<u>500,000</u>
	<u><u>-</u></u>	<u><u>500,000</u></u>
Analysis of loans		
Wholly repayable within five years	500,000	500,000
Less: included in current liabilities	(500,000)	-
	<u>-</u>	<u>-</u>
Amounts included above	<u>-</u>	<u>500,000</u>
	<u><u>-</u></u>	<u><u>500,000</u></u>
In previous years the academy trust received advanced funding from the ESFA due to funding difficulties that had arisen. This is an interest free loan which is repayable by August 2021.		
19 Deferred income	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	95,810	139,945
	<u>95,810</u>	<u>139,945</u>
	<u><u>95,810</u></u>	<u><u>139,945</u></u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

(Continued)					
19	Deferred income				
	Deferred income at 1 September 2019			139,945	68,336
	Released from previous years			(139,945)	(68,336)
	Resources deferred in the year			95,810	139,945
	Deferred income at 31 August 2020			95,810	139,945
20	Funds				
		Balance at		Gains,	Balance at
		1 September		losses and	31 August
		2019	Income	transfers	2020
		£	£	£	£
	Restricted general funds		Expenditure		
	General Annual Grant (GAG)	-	(7,405,574)	(119,873)	549,220
	Other DfE / ESFA grants	-	(993,860)	-	-
	Other government grants	-	(73,666)	-	-
	Other restricted funds	-	(190,104)	-	-
	Pension reserve	(6,164,000)	(346,000)	(1,488,000)	(7,998,000)
		<u>(6,164,000)</u>	<u>(9,009,204)</u>	<u>(1,607,873)</u>	<u>(7,448,780)</u>
	Restricted fixed asset funds				
	Inherited on conversion	46,823,047	(384,928)	-	46,438,119
	DfE group capital grants	356,132	(101,616)	119,873	402,408
		<u>47,179,179</u>	<u>(486,544)</u>	<u>119,873</u>	<u>46,840,527</u>
	Total restricted funds	<u>41,015,179</u>	<u>(9,495,748)</u>	<u>(1,488,000)</u>	<u>39,391,747</u>
	Unrestricted funds				
	General funds	290,403	(8,379)	-	367,818
	Total funds	<u>41,305,582</u>	<u>(9,504,127)</u>	<u>(1,488,000)</u>	<u>39,759,565</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant

The General Annual Grant must be used for the normal running costs of the school including salary costs, overheads, premises costs and curriculum costs.

Other DfE/ESFA and government grants

Other grants include grants received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the Trust.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(1,360,508)	7,353,410	(6,707,987)	715,085	-
Other DfE / ESFA grants	-	539,115	(539,115)	-	-
Other government grants	-	84,234	(84,234)	-	-
Other restricted funds	-	240,003	(240,003)	-	-
Pension reserve	(4,972,000)	-	(347,000)	(845,000)	(6,164,000)
	<u>(6,332,508)</u>	<u>8,216,762</u>	<u>(7,918,339)</u>	<u>(129,915)</u>	<u>(6,164,000)</u>
Restricted fixed asset funds					
Transfer on conversion	47,552,000	-	(384,928)	(344,025)	46,823,047
DfE group capital grants	8,533	82,075	(87,960)	353,484	356,132
	<u>47,560,533</u>	<u>82,075</u>	<u>(472,888)</u>	<u>9,459</u>	<u>47,179,179</u>
Total restricted funds	<u>41,228,025</u>	<u>8,298,837</u>	<u>(8,391,227)</u>	<u>(120,456)</u>	<u>41,015,179</u>
Unrestricted funds					
General funds	915,715	115,814	(16,582)	(724,544)	290,403
Total funds	<u>42,143,740</u>	<u>8,414,651</u>	<u>(8,407,809)</u>	<u>(845,000)</u>	<u>41,305,582</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Funds (Continued)

Total funds analysis by academy

	2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:		
Basildon Upper Academy	458,519	145,202
Basildon Lower Academy	458,519	145,202
	<u>917,038</u>	<u>290,404</u>
Total before fixed assets fund and pension reserve	917,038	290,404
Restricted fixed asset fund	46,840,527	47,179,179
Pension reserve	(7,998,000)	(6,164,000)
	<u>39,759,565</u>	<u>41,305,583</u>
Total funds	<u><u>39,759,565</u></u>	<u><u>41,305,583</u></u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Basildon Upper Academy	2,587,746	764,486	450,178	673,111	4,475,521	3,898,187
Basildon Lower Academy	2,587,746	708,282	232,931	667,103	4,196,062	3,689,734
	<u>5,175,492</u>	<u>1,472,768</u>	<u>683,109</u>	<u>1,340,214</u>	<u>8,671,583</u>	<u>7,587,921</u>

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	46,840,527	46,840,527
Current assets	387,133	1,516,350	-	1,903,483
Creditors falling due within one year	(19,315)	(967,130)	-	(986,445)
Defined benefit pension liability	-	(7,998,000)	-	(7,998,000)
	<u>367,818</u>	<u>(7,448,780)</u>	<u>46,840,527</u>	<u>39,759,565</u>
Total net assets	<u><u>367,818</u></u>	<u><u>(7,448,780)</u></u>	<u><u>46,840,527</u></u>	<u><u>39,759,565</u></u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	47,179,179	47,179,179
Current assets	687,961	830,807	-	1,518,768
Creditors falling due within one year	(397,558)	(330,807)	-	(728,365)
Creditors falling due after one year	-	(500,000)	-	(500,000)
Defined benefit pension liability	-	(6,164,000)	-	(6,164,000)
Total net assets	290,403	(6,164,000)	47,179,179	41,305,582

22 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £635,765 (2019: £376,377).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25% for employers and 5.5-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2020	2019
	£	£
Employer's contributions	368,000	345,000
Employees' contributions	88,000	81,000
Total contributions	<u>456,000</u>	<u>426,000</u>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.3	3.7
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	1.6	1.9
Inflation assumption (CPI)	2.3	2.2
Retail price index	<u>3.1</u>	<u>3.2</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations

(Continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.3
- Females	23.8	23.6
Retiring in 20 years		
- Males	23.2	23
- Females	25.2	25.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	+0.1%	0.0%	-0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	13,950,000	14,282,000	14,622,000
Projected service cost	697,000	719,000	743,000

	+0.1%	0.0%	-0.1%
Adjustment to long term salary increase	£	£	£
Present value of total obligation	14,309,000	14,282,000	14,256,000
Projected service cost	719,000	719,000	719,000

	+0.1%	0.0%	-0.1%
Adjustment to pension increases and deferred revaluation	£	£	£
Present value of total obligation	14,593,000	14,282,000	13,978,000
Projected service cost	741,000	719,000	697,000

	+1 Year	None	-1 Year
Adjustment to life expectancy assumptions	£	£	£
Present value of total obligation	14,833,000	14,282,000	13,752,000
Projected service cost	744,000	719,000	694,000

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	3,894,000	4,129,000
Bonds	351,000	368,000
Gilts	268,000	360,000
Cash	171,000	191,000
Property	488,000	524,000
Other assets	1,112,000	977,000
	<u>6,284,000</u>	<u>6,549,000</u>
Total market value of assets	<u>6,284,000</u>	<u>6,549,000</u>

The actual return on scheme assets was £178,000 (2019: £495,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	603,000	478,000
Past service cost	-	86,000
Interest cost	111,000	128,000
	<u>714,000</u>	<u>692,000</u>
Total operating charge	<u>714,000</u>	<u>692,000</u>

Changes in the present value of defined benefit obligations	2020 £
At 1 September 2019	12,713,000
Current service cost	598,000
Interest cost	235,000
Employee contributions	88,000
Actuarial loss	856,000
Benefits paid	(208,000)
	<u>14,282,000</u>
At 31 August 2020	<u>14,282,000</u>

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2020 £
At 1 September 2019	6,549,000
Interest income	124,000
Actuarial loss/(gain)	(632,000)
Employer contributions	368,000
Employee contributions	88,000
Benefits paid	(208,000)
Administration expenses	(5,000)
	6,284,000
	6,284,000

23 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(58,017)	6,842
Adjusted for:		
Capital grants from DfE and other capital income	(28,019)	(82,075)
Investment income receivable	(760)	(721)
Defined benefit pension costs less contributions payable	235,000	219,000
Defined benefit pension scheme finance cost	111,000	128,000
Depreciation of tangible fixed assets	486,544	472,888
(Increase) in stocks	(2,808)	(1,484)
(Increase) in debtors	(56,323)	(17,577)
(Decrease)/increase in creditors	(241,920)	217,940
	444,697	942,813
	444,697	942,813

24 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,317,820	325,584	1,643,404
Loans falling due within one year	-	(500,000)	(500,000)
Loans falling due after more than one year	(500,000)	500,000	-
	817,820	325,584	1,143,404
	817,820	325,584	1,143,404

THE BASILDON ACADEMIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	14,778	17,406
Amounts due in two and five years	-	8,520
	<u>14,778</u>	<u>25,926</u>

26 Related party transactions

No related party transactions took place in the period of account.

27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £19,668 and distributed £15,355 from the fund. An amount of £19,040 is included in other creditors relating to undistributed funds that is repayable to ESFA.